

amount of such salary allowance to be included in the personal return of the co-partner receiving same.

(c) As to corporations, wages of employees and salaries of officers, if reasonable in amount, for services actually rendered in producing such income.

2. Rentals or other payments required to be made as a condition of the continued use or possession for the purpose of the trade or property to which the taxpayer has not taken or is not taking title or in which he has no equity.

3. All interest paid during the income year on indebtedness except interest on obligations contracted for the purchase of non-taxable securities or shares of stock the income tax upon which has been paid to this State by the corporation. Dividends on preferred stock shall not be deducted as interest.

4. Taxes for the income year, except taxes on income, inheritance taxes, and taxes assessed for local benefit of a kind tending to increase the value of the property assessed.

5. Dividends from stock in any corporation the income of which shall have been assessed and the tax on such income paid by the corporation under the provisions of this act: *Provided*, that when only part of the income of any corporation shall have been assessed under this act only a corresponding part of the dividends received therefrom shall be deducted.

6. Losses sustained during the income year of property used in trade or business or of property not connected with trade or business, if arising from fire, storms, shipwrecks or other casualties or theft and if not compensated for by insurance or otherwise.

7. Debts ascertained to be worthless and charged off within the income year, if the amount has previously been included in gross income in a return under this act.

8. A reasonable allowance for the depreciation and obsolescence of property used in the trade or business; and in the case of mines, oil, and gas wells, other natural deposits, and timber, a reasonable allowance for depletion: *Provided*, that in computing the deductions allowed under this paragraph, the basis shall be cost plus any additions and improvements (including in the case of mines, oil and gas wells, and other natural deposits, the cost of development not otherwise deducted). In the cases of leases the deductions allowed may be equitably apportioned between the lessor and the lessee.

9. Contributions or gifts made by individuals within the income year to corporations or associations operated exclusively for religious, charitable, scientific, or educational purposes, or for the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private stockholder or individual, to an amount not in

Salary allowance to be included in personal return.

As to corporations:
Wages of employees and salaries of officers.

Rentals.

Interest paid.

Except: interest on obligations for purchase of non-taxable stock.

Taxes for year: exceptions.

Dividends from stock assessed and tax paid by corporation.

Proviso: ratio of deductions.

Losses.

Worthless debts charged off.

Allowance for depreciation and obsolescence.

Allowance for depletion.
Proviso: basis of computation of deductions.

Apportionment of losses on leased property.

Gifts to religious, educational and charitable purposes.